

**MINUTES OF REGULAR MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
SEPTEMBER 18, 2007
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, September 17, 2007 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Casino Queen Hotel on the 1st floor in East St. Louis, Illinois.

On Monday, September 17, 2007 at 1:00 p.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, James Sullivan and Eugene Winkler.

At 1:20 p.m. on Monday, September 17, 2007 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters;**
- 4. Closed session minutes; and**
- 5. Evidence and testimony presented in disciplinary hearings.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 3:15 p.m. The Board recessed until Tuesday, September 18, 2007 at 9:35 a.m. and went into open session at 10:10 a.m.

Roll call was taken for the start of the open session with Chairman Jaffe, Members Gardner, Sullivan and Winkler. Member Moore participated via telephone.

APPROVAL OF MINUTES

Member Gardner moved that **the Board approve the closed session minutes of its Regular Meeting of August 21, 2007 and the open session minutes of the Regular Board meeting of August 21, 2007.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S REPORT/COMMENTS –

The Chairman congratulated Tom Monaghan and the staff of Casino Queen on the new facility. The staff is very impressive.

One change on the agenda, Harrah's will be tabled until next month, the staff has not completed its investigation.

ADMINISTRATOR'S REPORT – no motion

Administrator Ostrowski also stated what a great facility the Casino Queen now occupies and what a great staff they have. Congratulations to Casino Queen on a premier facility.

Mark went on to introduce 8 of our 9 docksite supervisors.

BOARD POLICY ITEM –

Caleb Malemed addressed the Board.

The first proposed change is to 86 Ill. Adm. Code 3000.625. New language will authorize the issuance of a Value Chip with a denomination of 25 cents. Currently, the lowest denomination Value Chip is for 50 cents. The 25-cent Value Chip will eliminate the need to use tokens to pay out a sum that is inconsistent with approved chips. Other than the Casino Rock Island, which is still only 50% TITO, the other casinos use tokens solely to make payouts at table games. This change will allow the casinos to totally eliminate the need for tokens.

The second rule change is to 86 Ill. Adm. Code 3000.840. This Section currently requires the retention of all videotape surveillance recordings for a minimum of 5 days. There are two problems with the current language. First, the Section makes no reference to digital surveillance recordings, which will eventually replace videotapes, and are already authorized elsewhere in the rules (86 Ill. Adm. Code 3000.800 j) (2)). It is appropriate that the same record retention requirements applicable to videotapes should also apply to digital recordings. Second, the 5-day retention requirement conflicts with the Record Retention Schedule promulgated by the Administrator, which provides that surveillance recordings shall be retained for a minimum of 14 days and, in the event of an investigation, not be disposed of without written authorization. In light of these two problems, it is proposed that 86 Ill. Adm. Code 3000.840 be amended as follows:

It will also be necessary to amend the Records Retention Schedule so that the same requirements now applicable to videotape recordings will also apply to digital recordings. The Administrator has authority to amend the Records Retention Schedule without a rules change.

Member Winkler moved that **the Board authorize staff to submit proposed amendments to sections 3000.625 and 3000.840 for Second Notice Filing with the Joint Committee on Administrative Rules.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

PUBLIC COMMENTARY –

Mayor of East St. Louis, welcomed the Gaming Board and staff to East St. Louis. Mr. Monaghan along with the Board of Directors have done a great job in welcoming you to the new

facility. We the people are St. Louis are very proud of all that has been done. We have welcomed the progress that they have led us to.

The Mayor went on to thank the Gaming Board for all the accomplishments that the community has been able to do. Through the taxes that the Casino pays, it represents one half of East St. Louis' revenue fund. Casino Queen has helped to beautify the city, by providing revenue to keep the city clean. The Education system is also being enhanced, bringing forth a program called "Character Counts".

Chairman Jaffe asked about the beautification of the riverfront. The Mayor went on to state that the gaming dollars have contributed roughly \$150M since 1993. This money has helped to fund the very basic operations of the City, police protection, fire protection, public works and streets and sanitation. Future plans include the riverfront. The City's vision is another hotel, condominiums, family entertainment, park benches and well lit areas. We would like to establish a home fund for people to establish a home in our community. Right now, our basic City services are now up to standard, we are on our way and with time all will be achieved.

OWNER LICENSEE ITEMS

- a. Items for Initial Consideration
 - Alton Belle Casino – license renewal

Rich Laudon, General Manager of the Alton Belle Casino made a presentation to the Board:

NARRATOR: As Illinois' first modern riverboat casino, opened in 1991, Argosy Alton set the standard for all gaming venues to follow.

When Argosy first arrived on the Mississippi shore at Alton, this small town was enduring hard times. Now, Alton is a thriving community that's a great place to live, work and play.

This elegant, 124,569 square foot, traditionally-styled riverboat casino was initially constructed at a cost of \$12 million dollars, and over the years an additional \$56 million has been invested in various capital improvements. With these improvements and our marketing efforts, Argosy continues to be an effective competitor. Over the past 4 years, we have steadily increased our market share among St. Louis area casinos.

Since opening for business sixteen years ago, Argosy Alton has contributed over \$407 million dollars in city and state taxes through 2006. With this significant increase in tax revenue, Alton area citizens have gained a new firehouse and equipment, a new Justice Center, improved roads, schools, a Rescue Boat, Shuttles and a wide variety of other beneficial infrastructure and neighborhood projects.

Mayor Sandidge: Argosy has been a tremendous corporate neighbor to us and they have helped us on many, many ventures. The City Hall rehab was paid for with money from the Argosy. We have built a new Police Station and without Argosy we wouldn't be able to do that.

NARRATOR: As one of the area's largest employers, Argosy Alton invests \$25 million dollars a year in payroll and benefits for local workers. And our investment in our people goes well beyond their paychecks. We also foster their personal growth through ongoing training and tuition reimbursement programs.

Daryl McCrady: Argosy has provided great opportunities where you can improve yourself. One way is flexible scheduling for those who want to attend school and work part time.

Mary Hales: When Argosy Casino employees' want to advance their education they have the opportunity to come to our Community College. Their tuition and books are actively paid for by Argosy and we actually bill the Casino directly.

NARRATOR: Argosy Alton is proud of its commitment to employee diversity. 13.4% of our staff belong to a minority group, and 60% are women. Among our management team, 49% are either minority or female.

This diversity in our organization didn't just happen. We actively seek ways to offer career opportunities to women and minorities through our recruitment and promotion practices, including a company Diversity Council and job fairs in nearby minority communities. We also conduct respect training with our employees to help foster an inclusive and respectful work environment.

Kelly Jennings: I was hired on at Argosy Casino Alton in 2005 as a Senior Internal Auditor and just recently I have promoted to Financial Analyst.

Beth Rubemeyer: I have had five promotions and I started at the front line and now I am at the top of my department.

Alan Dunstan: Argosy is working with us doing a partnership that kind of brings people and shows them the positions open at Argosy, gives opportunities to people that they would not normally have, so we are glad Argosy is working with us.

NARRATOR: We value each employee as part of the Argosy Alton family, so when one of them faces a crisis, we step up. We maintain a Sunshine Fund to provide discreet emergency assistance to help employees' weather tough times and Argosy Alton's helping hand extends to the community at large. We offer non-salaried employees paid time off to participate in charitable activities, and we have made direct charitable contributions totaling over \$541,000 dollars over the past five years. While those sums are impressive, they don't include the value of hundreds of hours generously donated by our salaried staff, many of whom take on the additional responsibility of serving on the boards of various local non profit organizations.

Tim Garber: Annually as a community partner, Argosy Casino participates in Friends of Scouting Campaign, participates in our special events, used our Popcorn Sales to recognize employees, allows our staff to use conference rooms for training programs, and generally, and is a great partner and we like having them as a resource.

David Blackburn: Argosy Alton has been a vital part of the outreach of this facility. Various times in the year, they have given donations to help us purchase food, which we do to feed 600 families a month.

Jim Gray: We have been very fortunate the past several years that we have worked hand in hand with Argosy Casino and supported the program that we have for our young children. These programs would not be possible if a company like Argosy had not come along and helped to fund these programs.

Jeanene Harris: Argosy is involved on our Board and several of our committees and allocations in helping us to raise money.

Robin Summers: In addition to helping to sponsor our local disaster relief needs, Argosy Alton has also been very helpful during our larger national disaster relief operations in our local area as well. In 2006, we had a wind storm come through and Argosy Alton stepped up and helped us sponsor some mass care we were providing through mobile feeding.

NARRATOR: There are two areas where our generosity has been especially rewarding to us. Through our work with Pride, Inc. and the Beautification of the Riverfront project, we have helped make Alton a better place for visitors and residents alike. And through our avid support of various law enforcement organizations, we believe we've made Alton a safer, friendlier place, too.

Mayor Sandidge: Alton's turned a corner. It's not on its way down anymore, it's on the way up.

NARRATOR: The economic impact of Argosy Alton on the local and state economy is significant. Though many of the goods and services needed by the casino cannot be purchased locally, Argosy Alton still managed to direct \$16.8 million dollars of its purchases to Illinois businesses over the last five years.

We welcome opportunities to work with minority- and female-owned businesses — in the last five years we have spent over \$3,679,000 with such firms. And we reach out to minority- and female-owned suppliers through an annual Diversity Fair.

Edmund Brown: Our Argosy contract is one of our largest contracts we have on our books to date and what it has allowed us to do is expand our business through the products we provide to them and demonstrates that we are capable of providing that capacity to other organizations as well.

NARRATOR: Another way Argosy Alton helps build a stronger local economy is through our ongoing support of the Growth Association of Southwestern Illinois and the Alton Convention and Visitor Bureaus. We have provided thousands of dollars annually worth of free materials and media to help promote the city of Alton.

Monica Bristow: I can't see how we can improve too much on the relationship with Argosy. They are an important corporate citizen. If they went away, I think the town would be devastated. The area would be devastated.

NARRATOR: Argosy also has a significant cultural impact on the area. Our Music Room is a treasured local venue for a wide variety of world-class performers.

And of course, Argosy Alton is a warm and friendly place for people throughout southern Illinois and the St. Louis area to enjoy their favorite games.

But with that fun comes responsibility. We provide rigorous training to our staff in alcohol awareness and Illinois State gaming regulations. Staff interviews are conducted quarterly to monitor our training effectiveness in Alcohol Service and Responsible Gaming. Our Responsible Gaming Committee meets regularly to make sure we're doing everything to fulfill these obligations. Staff meetings held prior to every shift are used to reinforce each employee's responsibility for the well-being of our patrons. Throughout the property we provide information about resources to help people with a gambling problem. We participate in the state's Self-Excluded Patron program, and we encourage our staff to help compulsive gamblers keep the promises they make to themselves.

Rhonda Brown: Whenever we have new employees come on, I reiterate that it is their job duty to make sure if they notice somebody that they are suppose to report it.

NARRATOR: Our Eagle Eye Program gives employees cash awards for reporting SEP violators.

At Argosy Alton, we recognize that a gaming license is a valuable privilege that must be earned through responsible business conduct.

As the first Illinois casino, our obligations to gaming integrity, regulatory compliance, economic development, community service and a thriving, diverse workforce are deeply felt and are the foundation of our proud heritage.

b. Items for Final Action –

- Empress Casino, Joliet – Toni K. Johnson, Director of Casino Operations - Level I

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Toni K. Johnson, Level One Occupational Licensee, in the position of Director of Casino Operations for Empress Casino Joliet.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner went on to state what a success story Ms. Johnson has become, starting as an intern all the way to the position of casino operations. Member Gardner went on to commend Ms. Johnson for all her hard work.

- Grand Victoria Casino – Peter M. Liguori, Director of Operations – Level One and Key Person

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Peter M. Liguori as an Occupational Licensee, Level 1, in his position as Director of Operations for the Elgin Riverboat Resort d/b/a the Grand Victoria Casino. It is further recommended that Peter M. Liguori be found suitable as a Key Person in his position as an Executive Committee Member of the Elgin Riverboat Resort.** The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS - Level 2's & 3's

Based on staff's investigation and recommendation, Member Gardner moved that **the Board approve 44 applications for an Occupational License, Level 2, and 178 applications for an Occupational License, Level 3.**

Further, Member Gardner moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

1. Alice Fay Ragsdale;
2. Catherine Renee Dietz;
3. Cardell D. Hester;
4. Herman Fulwiley;
5. Paul A. Watkins, and
6. Grace Lavon Wheeler.

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS

- Fredy Nava, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Fredy Nava, an occupational licensee, for failing to disclose his July 31, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Fredy Nava's occupational license for 3 days without pay. Said action to take affect**

twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period. Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Judith Christensen, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved **that the Board issue a Disciplinary Complaint against Judith Christensen, an occupational licensee, for failing to disclose her July 18, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Judith Christensen's occupational license for 3 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Wakeena Gibson, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved **that the Board issue a Disciplinary Complaint against Wakeena Gibson, an occupational licensee, for failing to disclose her June 28, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Wakeena Gibson's occupational license for 3 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Jasen L. Sowers, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved **that the Board issue a Disciplinary Complaint against Jasen L. Sowers, an occupational licensee, for failing to disclose his July 13, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Jasen L. Sowers' occupational license for 3 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

Mike Fries stated that additional information has come to the staff referencing the same above matters.

Member Gardner stated that the applicants must disclose any arrests on their applications.

Member Gardner had the docksite supervisors stand up before the crowd. He went on to say this is what the Board means when they talk about diversity in management.

ADJOURNMENT

At 10:50 a.m. Member Winkler motioned for adjournment while Member Gardner second the motion.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator